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**Testimony Submitted to the Tax Policy Committee
Re: Earned Income Tax Credit
Submitted By Nadia Tonova, National Outreach Director, ACCESS
March 23, 2011**

Thank you for the opportunity to speak before you about my organization's support for the Michigan Earned Income Tax Credit. I am the National Outreach Director for the Arab Community Center for Economic and Social Services, otherwise known as ACCESS. ACCESS has been serving the community for 40 years, and is proud to be one of the nation's premier Arab American organizations.

Eliminating the Earned Income Tax Credit – which provides around \$400 to working families every year -- would raise taxes on nearly 800,000 lower-income working families and their children by \$330 million. This would greatly impact the nearly 300,000 Arab Americans living in Michigan. Statistics from the Office of the Michigan State Registrar indicate that about 45 percent of families in the Arab community live below the federal poverty line. This low income level has important implications in the need for social services, access to health care, and education, among other things, for many people who come through our doors.

Our mission at ACCESS is to provide our clients with the keys to self-sufficiency, giving them long-term stability rather than short-term assistance. Financial security is a key ingredient to self-sufficiency – eliminating the EITC makes that journey even more difficult for many hard-working people who are struggling just to get by. We believe in building strong communities and helping those who are need – whether they are new immigrants to our state, neighbors who have fallen on hard times, or children whose families struggle to put food on the table.

Furthermore, without the EITC, an additional estimated 14,000 children in working families will be plunged into poverty. ACCESS believes that there is no better way to empower a community than by reaching its youth. Nurturing today's youth to grow into tomorrow's trailblazers is a vital role of the Youth & Education Department – and it is such an important part of making Michigan a powerhouse of the 21st century economy. Unfortunately, studies have show about 20 percent of adults who spend more than three years in poverty as a child will not receive a high school diploma. We believe that eliminating the EITC will damage Michigan's economy for years to come. At this critical point in our state's history, we need to be preparing our youths for the good-paying jobs of the future, not turning our backs on them.

Finally, eliminating the EITC will hurt Arab American business owners. Arabs own approximately 12,000 small businesses in southeastern Michigan. These businesses generate hundreds of thousands of jobs and generate millions in income for the state. Last year, the EITC brought \$338 million into local communities across the state, directly impacting these business owners from the community. If the EITC were eliminated, families would have less to spend in the businesses that drive our economy.

Eliminating the Earned Income Tax Credit conflicts with our mission of advocating for and empowering individuals, families and communities. Balancing Michigan's budget on the backs of our most vulnerable residents is a move we cannot support. Thank you for your time and attention.